UNITED
NATIONS

DP

Governing Council
of the
United Nations
Development Programme

Distr.
GENERAL

DP/CP/ALG/6
16 December 1992
ENGLISH
ORIGINAL: FRENCH

Special session
16-19 February 1993, New York
Item 5 (a) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

SIXTH COUNTRY PROGRAMME FOR ALGERIA

Programme period	Actual resources programmed	$
1993-1996	IPF	9 529 000
	Estimated cost-sharing	11 146 000
	Total	20 675 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Algeria's economy and society underwent a transformation during a period of rapid economic growth (around 7 per cent annually, including the petroleum sector) from the 1970s to the early 1980s. During this period, major investments were made in industry, infrastructure, education and health care. However, following the collapse of oil prices, particularly since 1986, which was compounded by a high level of external debt, the economy slowed, resulting in a significant decline in per capita income. At present, serious internal and external macroeconomic imbalances have arisen which are directly linked to increased dependence on oil exports, a troubled public sector, disruptions in the agricultural sector and the impossibility of maintaining traditional subsidies for consumer goods.

2. The deterioration of the terms of trade since 1985, accentuated by the drop in oil and gas prices, and fluctuations in the dollar explain to a great extent the vulnerability of the Algerian economy. A very high debt-service ratio (70 per cent of export earnings) on an external debt totalling some $26 billion is the reason for the shrinkage in available development financing. Algeria also depends on foreign imports of food and materials for its industrial infrastructure. Consequently, an improved balance of payments and guaranteed access to external financing are essential in the short and medium terms to support the socio-economic reforms under way and to ensure economic recovery.

3. Despite major advances in health care and education since independence, the mortality rates for mothers (2.35 per 1,000 live births), infants (56.86 per 1,000) and children under five (49.4 per 1,000) remain a cause for concern. Algeria's current economic problems have had repercussions on the health-care and social welfare sector. The literacy rate rose significantly over the past two decades, from 25.4 per cent in 1966 to 56.4 per cent in 1987 (although only 43.4 per cent for women). The school-enrolment rate for children aged 6 to 14 now stands at 88 per cent for boys and 72 per cent for girls. At the secondary level, 48 per cent of all pupils enrolled are girls. The employment rate for women, after increasing steadily over the past two decades, has stabilized at about 7 per cent. The population growth rate has fallen from 3.2 per cent to 2.8 per cent in recent years, and the average age of women at marriage has risen from 19.3 years in 1970 to 23.7 years in 1987.

4. The Algerian Government believes that the per capita gross national product (GNP) employed by the United Nations Development Programme (UNDP) - approximately $2,170 for the reference period (1987-1989) - is greatly overestimated because of the exchange rate used and does not truly reflect the quality of life of 25 million Algerians. The Government maintains that the figure was only $1,546 in 1991 and that it will inevitably decrease in 1992 because of the continuing depreciation of the Algerian dinar (DA), whose value fell from DA 4.7 to the dollar in 1986 to DA 18 in 1991 and more than DA 20 in 1992. Consequently, the declining trend in per capita GNP should be taken into consideration in determining the indicative planning figure (IPF).

B. National development objectives and strategies

5. Algeria is definitely moving towards a market economy, while seeking to protect the most vulnerable groups of society. The Government has drawn up a development strategy which calls for increased use of natural resources and industrial potential based on their rational management.

6. Specific aspects of current reforms include equal treatment of public and private economic operators, a reform of the banking system, promotion of small and medium-sized industries (SMIs) and enterprises (SMEs), foreign partnerships and investment, and recovery in the agricultural and housing sectors, leading to greater employment, especially among youth.

7. The reforms and adjustments in progress do affect the standard of living of social groups with low or no income, as well as such vulnerable groups as the disabled and the elderly. In order to limit their impact, support mechanisms for persons with low or no income and for the disabled have been established, including direct subsidies to low-income groups, family support services and assistance to disabled persons in the form of appropriate equipment and appliances and medical-social services.

8. Environmental problems are a growing concern and are being addressed at the highest levels of authority. Water management and industrial pollution are critical problems.

II. EXTERNAL COOPERATION

A. Role of external cooperation

9. The most recent statistics on official development assistance (ODA) date from 1990. At that time, ODA amounted to $310 million ($12.40 per capita), of which 4 per cent came from the United Nations system. Nevertheless, ODA plays a relatively small role, considering Algeria's oil revenues (approximately $12 billion a year) and non-concessional lines of credit. Loan programmes of the International Monetary Fund (IMF), the World Bank and the European Economic Community (EEC) exceeded $1 billion in 1990-1991, while commercial lines of credit (over $1 billion) were recently granted by some countries. Large-scale sectoral loans are also under discussion with the World Bank and other international financial institutions.

10. Looking at all assistance activities in 1990, 36 per cent of ODA resources went to the transport and communications sector, 34 per cent to industry, approximately 7 per cent to human resources development, 12 per cent to health care and humanitarian assistance and 6 per cent to agriculture. In the 1980s, the United Nations system ranked third as a source of ODA, and during the years covered by the fifth country programme, UNDP provided two thirds of all assistance from United Nations agencies (with the exception of the Office of the United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP), which focused their aid on Saharan refugees).

In 1989 and 1990, bilateral assistance was provided by the Governments of Austria, Belgium, Canada, France, Germany, Italy, Japan, Spain and by EEC.

B. Aid coordination arrangements

11. The Ministry of Foreign Affairs coordinates the management of official external assistance. In 1991 and 1992, UNDP issued two preliminary reports on development cooperation containing a survey of all types and sources of aid to Algeria; these reports might facilitate the coordination of development assistance.

12. The UNDP resident representative is the resident coordinator of operational activities for development of the United Nations system in Algeria. In this capacity, he regularly chairs meetings with heads and directors of United Nations organizations. The Algerian Government would like to see his coordination functions enhanced, in order to ensure greater complementarity among the contributions of various international institutions. The resident representative is also expected to act as a catalyst for the technical cooperation potential which exists within the United Nations system and to mobilize the financial resources needed to implement the country programme.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

13. The fifth country programme for Algeria (1987-1991), extended until the end of 1992, focused on five themes: (a) agriculture and food development; (b) enhancement of existing potential; (c) integration and innovation; (d) development of social services; and (e) forecasting and planning tools.

14. The fifth country programme was prepared at a time when the Government was beginning a major review of its economic and social policies. Accordingly, the programming themes selected were based on a horizontal and integrative approach. The programme was designed to have maximum impact by virtue of the cohesiveness of its projects.

15. While a large volume of resources was earmarked under the fifth programme for government cost-sharing on a project-by-project basis, the resources were slow to materialize. An analysis of the reasons for the payments difficulties encountered led to the conclusion that different ways and means of mobilizing cost-sharing resources must be considered.

16. The structuring of the programme around a large number of related projects has made strict management necessary in order to ensure the programme's overall cohesion and produce the desired impact. In retrospect, the many adjustments and reassignments of responsibility which affected implementation revealed that the programme design was overly ambitious. The

formulation of the sixth country programme has stressed four programme areas that identify the basic goals for UNDP cooperation without spelling out in detail the actions to be undertaken. This approach should, in future, help to avoid the problems inherent in the design and execution of the fifth programme.

17. Of the $33,279,000 allocated for the fifth programme, $18,470,000 was derived from government cost-sharing while $14,809,000 came from IPF. The difficulties that arose in its execution were due, inter alia, to the economic situation and, at times, to a poor understanding of the way in which cost-sharing arrangements worked. Although the 1989 mid-term review and other ad hoc consultations showed that the projects were implemented according to plan, it is nevertheless true that during the last two years of the cycle, the programme as a whole could have been better executed by all participants, including the executing agencies.

B. Proposals for UNDP cooperation

1. Preparatory process

18. The Algerian Government began to consider its priorities for the next country programme when the mid-term review of the fifth programme was conducted in February 1989; the new themes included in the programme which is now nearing completion were the outcome of that exercise. These themes, inspired by recent developments in the economic and social fields, are reflected in the priorities of the sixth programme.

19. In early 1990, Algerian consultants hired by UNDP to carry out sectoral studies produced a document entitled "Algeria 1990: Studies". This document was one of the instruments used to prepare the current country programme. More recently, other studies on the themes of the new programme have provided additional information.

20. Discussions on the sixth programme were held on the basis of the advisory note prepared by UNDP and supplemented by sectoral discussions between the substantive ministries and the Ministry of Foreign Affairs. The proposals contained therein reflect a desire to allocate the limited resources for the sixth programme judiciously.

2. Strategy for UNDP cooperation

21. As a result of Algeria's socio-economic situation and the rapid and profound changes occurring in the country, the sixth country programme has focused on: (a) employment promotion; (b) export promotion and diversification; (c) environmental protection; and (d) support for socio-economic reforms. These areas of concentration reflect government priorities for which UNDP assistance is required, bearing in mind the six areas identified by the Governing Council in its decision 90/34 of 23 June 1990.

22. While it is recognized that employment promotion and export diversification are integral parts of the ongoing reforms in the country, their presentation as separate areas of concentration is intended to emphasize the priority they are accorded in the Government's economic policy. In all areas of concentration, special attention will be paid to the integration of women in development. Statistics show that women account for only 7 per cent of the working population, which means that they represent a vast untapped economic potential. For women to participate effectively, efforts must be made to enhance their integration in national economic activities by making it easy, for example, for them to set up enterprises or by promoting part-time professional activities for women. Broadly speaking, the main objectives of the sixth country programme are to develop human resources and build national capacities.

23. It should also be possible to adapt the programme's contents to changes in national priorities. While previous country programmes attached considerable importance to projects which were difficult to monitor because of their large number, the aim of the sixth programme is gradually to introduce the programme approach while continuing to design individual projects to meet specific needs. This latter approach will depend on the impact desired. Such an approach takes Algeria's rapidly changing socio-economic situations fully into account.

24. Following the programme approach will mean strengthening the long-standing role of national project directors. It will also imply greater use not only of national, individual and institutional expertise but also that of non-governmental organizations. This new element, particularly the increased use of national capacities, will simultaneously upgrade such expertise and improve the efficiency and continuity of development efforts in an environment marked by rapid and profound change.

25. At the same time, the Government will strive to establish the necessary linkages with a view to optimizing development efforts and integrating them with the programmes of agencies that are active in the social sector, such as the United Nations Fund for Population Activities (UNFPA), and with the programmes of agencies, such as the International Labour Office (ILO) and the World Bank, working in other sectors such as employment. The need for integration with UNDP regional and interregional programmes in order to make optimal use of available resources will also be taken into account.

26. The sixth country programme will devote considerable attention to the exchange of experiences with old and new market-economy countries and to integration projects in the Maghreb subregion.

3. Proposed UNDP cooperation in selected areas of concentration

Employment promotion

27. National objectives. The question of employment, especially of youth, is crucial. The success of the country's reforms and its social, economic and political stability depend, to a considerable extent, on how this issue is addressed. A survey carried out at the end of 1990 by the National Statistical Office showed that, of a total population of 25.3 million, 5.9 million were active. With 4.43 million persons employed, the unemployment rate stood at 18.4 per cent. Young people were the most seriously affected, with unemployement rates of 64 per cent for those 15-19 years old and 46 per cent for those aged 20-24 years. The survey also showed that 20 per cent of all unemployed persons had no schooling whatsoever.

28. The steps already taken by the Government to reduce unemployment include opening the market to national and foreign private investment, plans to restructure public enterprises, promoting small- and medium-sized enterprises, reclaiming new farm land, revamping the vocational training system and promoting the employment of youth through placement efforts as well as revitalizing the construction and public works sectors, which traditionally provide a large number of jobs.

29. Proposed UNDP cooperation. Unemployment affects not only young newcomers to a saturated labour market but also men and women whose jobs have been eliminated and who must be retrained for new jobs.

30. The worsening trend in unemployment since the mid-1980s is due basically to the inherent characteristics of a national economy in crisis. These conditions are aggravated by an unfavourable population situation, an inadequate training system and the collapse of the labour market.

31. Human resources development is another priority of the current country programme. Therefore, greater attention will be devoted to the educational sector, where the main problem is improving the quality of instruction and adapting the training system to the country's development needs.

32. Admittedly, employment is largely determined by macroeconomic conditions. Nevertheless, specific programmes and actions in this area are highly desirable. A fundamental goal in this area of concentration is support for national efforts to define labour market management policies that reflect the ongoing reforms. Activities will include efforts to build national capacities for mobilizing the necessary financial resources and appropriate know-how with a view to launching and duplicating pilot schemes for job creation or conservation, modernizing vocational training systems and launching manpower retraining programmes. Support in this area should take the form of an integrated programme to be implemented by national institutions and agencies with technical assistance from the United Nations system.

33. Tourism is included in this programme because, apart from being a source of foreign exchange, it is also a sector that generates many jobs. The Government hopes to use studies of the country's touristic offerings for both the foreign and domestic markets to draw up, with UNDP assistance, a master plan for medium- and long-term, development.

34. Indicators of success. Performance indicators for this area of concentration should be the formulation of national job creation and conservation policies and programmes and the establishment and ongoing refinement of the mechanism for planning, management and regulation of the labour market, which includes the gathering and dissemination of relevant data.

35. Complementary assistance. In the area of employment promotion, Algeria is receiving assistance from the International Labour Office, in the form of short-term missions of experts, from Mediterranean countries such as Italy, which is providing direct assistance in the area of agricultural employment, and from the World Bank. In this area, the Government seeks additional assistance from UNDP in the tapping of existing potential and from the United Nations system as a whole and bilateral donors in order to carry out the activities proposed.

36. National objectives. Hydrocarbons exports are Algeria's main source of external revenues. Consequently, world market prices for fuel products determine Algeria's export earnings from this source and thus have a decisive effect on the economy as a whole. For this reason, the Government has initiated a number of legislative and regulatory measures to promote non-hydrocarbons exports. These include: the elimination of the export-licensing scheme; the lifting of the ban on the export of certain goods; the financing of imports, under the temporary admission scheme, for the manufacture of goods for export; and the granting to exporters of the right to repatriate and to make use of all their export earnings in foreign currency. Other measures, relating to insurance and to export credit guarantees, are planned for the medium term.

37. Proposed UNDP cooperation. The objective in this area of concentration is to support the country's development policy and to provide effective and practical assistance in the diversification and promotion of non-hydrocarbons exports, an area in which the private sector can be efficient. Export diversification has two aspects: (a) the identification of the products in respect of which Algeria has a comparative advantage, at least in some foreign markets, and (b) the enhancement of product quality and price competitiveness. A UNDP-financed study of the sector will emphasize export opportunities, quality control and the packaging of goods for export. The decision of the Arab Maghreb Union (AMU) to work towards full customs union should be taken into account in the preparation of the study.

38. Cooperation can begin with a consideration of the relevant domestic and international parameters. Domestic parameters include current export procedures, the legislation governing export operations and obstacles to export growth. Studying these parameters will make it possible to formulate

an export promotion and diversification strategy. In addition to these studies, UNDP will provide the training required for the formulation of such a strategy.

39. Indicators of success. This area of concentration is strongly linked to the areas relating to reforms and employment; accordingly, its success is linked to the progress made in those two areas. The indicators of success are, first, greater diversity of exports and, secondly, an increase in the volume of non-hydrocarbons exports. Within the framework of subregional cooperation, an increase in exports to the other AMU countries will also be an indicator of success.

40. Complementary assistance. A number of studies already carried out by the national authorities and several donors will be utilized. Close collaboration is envisaged with donors who have expressed interest in promoting small-scale handicrafts enterprises producing goods for export. Here, the UNDP programme will serve as a frame of reference for attracting additional contributions.

Environmental protection

41. National objectives. The current state of the environment in Algeria is characterized by: a fragile and eroded plant cover; severely threatened flora and fauna; widespread desertification; erosion, which severely affects land resources (more than 12 million hectares); water resources which are limited, difficult to tap and subject to pollution; heavily degraded marine and coastal areas; demographic pressure; urban problems which are difficult to manage; dilapidated housing stock; massive industrial pollution; and inadequately managed hazardous wastes.

42. In view of these major ecological problems, Algeria initiated, two decades ago, a variety of actions aimed at protecting its natural resources from all forms of natural degradation and raising living standards. It should be noted, however, that major problems persist. Nevertheless, the action taken has made it possible to develop a national environmental policy.

43. The Government will shortly adopt a report identifying all the steps to be taken. In this context, a National Environment Fund has recently been established, and a tax on polluters has been instituted to provide the Fund with income. A National Council on the Environment is also being established.

44. Proposed UNDP cooperation. The objective in this area of concentration, which is one of the six priority areas identified by the Governing Council in its decision 90/34 of 23 June 1990, is to support the Government's efforts in: (a) the campaign against desertification and drought; (b) enhancing capacities for the management, use and development of natural resources through preservation of the environment at the national, regional and local levels; (c) executing pilot projects for this purpose and establishing an appropriate training programme in all fields relating to environmental protection, especially with regard to: the management of solid, toxic and other wastes; the protection and preservation of water resources through the

promotion of activities involving the treatment and purification of domestic and industrial waste water; the management of coastal areas, particularly industrial areas situated on the coast; and the prevention of air pollution and the monitoring of air quality; (d) providing expert assistance, as needed in the formulation of legislation and policies; and (e) mobilizing non-governmental organizations and associations which should play a growing role in educating the public and raising its awareness of environmental issues.

45. Indicators of success. The indicators of success for this area should be the effective implementation of an environmental policy and strengthened resource management at the national and local levels; a broader legislative framework and an improved pollution-control strategy; and greater participation by non-governmental organizations and associations in promoting national awareness of environmental issues.

46. Complementary assistance. In Algeria, as elsewhere, environmental issues are by definition intersectoral and often have aspects which go beyond the national framework. Special attention should be given to the action currently being undertaken both by UNDP and by other donors at the global, regional and national levels. Accordingly, assistance will be requested from the Mediterranean Environmental Technical Assistance Programme (METAP), the United Nations Environment Programme (UNEP) and the Centre for Environment and Development of the Arab Region and Europe (CEDARE). The World Bank is developing an industrial pollution inspection system with which UNDP activities could be usefully coordinated. UNDP should, in its capacity as co-manager of the Global Environment Facility provide access to the Facility and to Capacity 21 in a manner that would more accurately reflect the importance attached to this area of concentration.

Support for socio-economic reforms

47. National objectives. The Government will continue to pursue its socio-economic reforms. This can only be achieved through the optimal use of national resources, a diversification of the economy which will allow national economic operators, particularly the private sector, to play their roles fully, adequate social protection and better integration of scientific research and technological development into the productive sector.

48. Proposed UNDP cooperation. The objective in this area of concentration is to support the reform process, which is taking place in three areas: economic, social and technological. UNDP will provide support whenever the Government determines that the comparative advantage of the United Nations system can be put to good use. UNDP cooperation will promote activities in keeping with the changes stemming from economic and social reforms. In view of resource constraints, UNDP will support mainly low-cost activities which are expected to have a major impact.

49. The reform process is already well advanced and the major decisions should have been taken by the mid-point of the programme. Lessons have

already been drawn from recent experience, and the necessary adjustments and additions are being made. New, unforeseeable needs will probably arise, and it is difficult at this stage to assess fully their implications for UNDP technical cooperation. Nevertheless, actions are to be initiated at the beginning of the sixth country programme in connection with the three areas of reform referred to above.

50. Economic reform. To help the Government implement its economic reforms, UNDP is requested to facilitate, through a flexible framework project, exchanges of experience with other countries which have a market economy. Such exchanges of experience might focus on: (a) options in terms of strategy and the means to be employed; (b) an in-depth analysis of the relationship between various elements of the economic reform process with a view to improving design and linkages; and (c) improving the external debt management system. Ongoing assistance in the area of fiscal reform could be integrated into this effort. In addition, the reallocation of responsibilities and the implementation of economic adjustment measures require the revitalization of strategic planning. The envisaged framework project will be defined through a study funded under TSS-1.

51. In industry, priorities relate to the optimization, restructuring and redeployment of the existing potential. Greatest emphasis is currently being placed on reforming the public industrial sector, and the World Bank is involved in this process through studies, discussions of strategy development and funding programmes. UNDP projects which provide direct support for independent enterprises will be brought to a gradual and orderly conclusion. UNDP will be invited, as part of the sixth cooperation programme, to continue its support for industrial restructuring efforts, which have been targeted as a priority for this sector.

52. The main aspect of UNDP intervention will be support for small and medium-sized enterprises. UNDP-supported projects in progress are designed to promote small-scale subcontracting enterprises in the heavy industrial sector, as well as the local manufacture of tools and spare parts. These activities should be continued and expanded. The expansion of the SMI/SME sector could foster the creation of a large number of jobs. This is a sector dominated by private enterprise, and UNDP could provide support in looking at problems, identifying obstacles and arriving at proposals to improve the situation and clarify the policies pursued in this area.

53. In the past two decades, Algerian agriculture has undergone considerable reform and restructuring which have affected the methods by which it is managed. Accordingly, efforts have been made to organize the sector through the establishment of chambers of agriculture, agricultural cooperatives and growers' associations. Policies have also been initiated to promote production through tax cuts, easier credit and, in some cases, price supports. Lastly, the authorities have, with the support of UNDP and other international organizations, endeavoured to strengthen training, extension, research and technical support structures in an effort to improve crop yields.

54. This sector currently has at its disposal a substantial level of technical knowledge. It is now essential to take full advantage of this knowledge within the framework of the reformed agricultural sector. UNDP has previously supported several individual projects involving cooperation with agricultural institutions. It is now requested to assist the Government in designing new approaches geared directly to growers.

55. Complementary assistance. In industry, the United Nations Industrial Development Organization (UNIDO) is providing support for the establishment of a financial institution specializing in financial and economic auditing, as well as in the assessment of investment and partnership opportunities and enterprise restructuring. The Food and Agriculture Organization of the United Nations (FAO) is providing support for the prevention of some animal diseases, training in the techniques of preparing and evaluating rural development projects, the preparation of a general agricultural survey and the development of protected areas and wildlife. The Algerian Government is looking to UNDP for support in strengthening cooperation among these three specialized agencies.

56. Social reform. Both the general socio-economic situation and the far-reaching reforms which are under way may have adverse consequences in the short term for the living conditions of the people, particularly the most disadvantaged groups: young people, women and the disabled. In order to meet this challenge, support must be given to the Government's efforts in three areas. In the area of public health, it should be noted that the national health system was developed on the basis of principles guaranteeing universal access to health care. New constraints, such as the high rate of population growth, problems associated with rapid industrialization, qualitative and quantitative changes in the demand for care and declining financial resources necessitate a reform of the national public health system. These considerations have given rise to a number of important decisions according priority to primary health care delivered by the basic health-care network, which consists of health centres, polyclinics and other small units.

57. Communicable diseases, drinking water and sanitation and common chronic diseases are the major causes of health problems. A specific project for the prevention of communicable diseases, including acquired immune deficiency syndrome (AIDS), will continue to be supported by UNDP during the sixth country programme. The areas in which UNDP support is desired are the campaign against disease and physical and mental handicaps, promoting maternal and child health care through preventive and educational activities, improved programming and management and higher-quality training for workers in the health and social fields.

58. In the area of social welfare, vulnerable groups such as the disabled, the elderly and the poor must be assured full participation in development through vocational training, placement, employment promotion and the development of productive activities. This effort should also target women, particularly those with family responsibilities. Placement should be included in the employment promotion programme. A project for the prevention of

juvenile delinquency, including the social reintegration of delinquents, and the prevention and control of drug abuse and illicit drug trafficking will continue to receive UNDP support.

59. With regard to the organization of community and sports activities for young people, particularly those in vulnerable groups, UNDP is being asked to support the Government's efforts to develop and implement action programmes. This support may take the form of high-level advisory missions and missions to gain familiarity with the experience of other countries in the same field.

60. In the area of housing, the Government's efforts to revitalize housing construction and the development of community infrastructures will be supported by UNDP. In order to increase the housing stock as a way of improving the population's quality of life, a review should be carried out of appropriate mechanisms and technologies for forming a partnership between the private and public sectors to develop housing. UNDP will provide support for a sectoral study with the goal of identifying obstacles and proposing solutions, making use of an updated database. Particular attention will be accorded to promoting private SMIs and SMEs. The support currently provided by UNDP for the development and adaptation of local building materials will continue. A project for seismic risk reduction will be supported during the sixth country programme. Use of technical cooperation among developing countries (TCDC) and consultations with countries that have acquired useful experience in this sector are planned.

61. UNDP may also provide assistance in strengthening the urban development system, including soil planning and use. This assistance will take the form of a review of experiments tried elsewhere in the area of development policy, focusing on countries or bodies which have acquired useful experience in the area. UNDP may provide assistance in the development of a "participatory" strategy which would create an environment conducive to individual and collective initiatives.

62. Complementary assistance. UNDP support in this area will supplement the support already provided or to be provided by other bodies. In the health and population fields, the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and UNFPA have major programmes. In the field of housing, an active contribution by the United Nations Centre for Human Settlements (Habitat) is strongly desired by Algeria. Multilateral EEC and bilateral programmes dealing with these areas also exist. It is expected that UNDP will play a dynamic role in mobilizing and coordinating all these inputs.

63. Technological reform. In Algeria, the development, improvement and adaptation of scientific and technological research are expected to play an essential role in achieving the national objectives of increasing production and productivity levels, particularly in industry and agriculture, and improving health-care, water-supply and sanitation services and energy distribution. The formulation and implementation of technological development programmes for environmental protection and the rational use of natural

resources are viewed as ways of increasing the output of goods and services and improving the living conditions.

64. The Algerian Government's efforts to promote scientific research and technological development over the past decade have focused on organizing the national research system and setting up and expanding mechanisms for the planning and programming activities. However, the lack of manpower and appropriate structures for applying research findings to the production sectors have hampered the introduction of innovations in the national economy. Insufficient incorporation of research findings remains a major problem. Accordingly, a scientific and technological research policy directed towards the production sectors must be supported. Specifically, cooperation with UNDP will be drawn upon to support activities for the incorporation of research applications with a view to encouraging the establishment of a small and medium-sized enterprises which can produce and market goods and services with a strong technological component. UNDP is also being asked to provide support for the promotion of research and the production of biotechnology products, and for the supplying of energy from renewable sources in rural areas.

65. Complementary assistance. UNDP will play a mobilizing role in developing the opportunities offered by United Nations specialized agencies, TCDC networks and bilateral cooperation to support specific technological research and development projects and training activities for research personnel.

66. Indicators of success. It should be noted that UNDP contribution to the reform process consists only of selective support for the relevant development policy. Current political decisions, the mobilization and use of resources and Algeria's overall situation will determine the success of the reforms. For UNDP, the immediate success of its programme will be gauged by whether its cooperation activities are effectively taken into account in the development policy process.

C. Assistance outside main country programme areas

67. Outside the main programmatic themes, a number of projects that were begun during the previous programme will continue to be supported, along with some new, small-scale projects. These should focus on specific and urgent needs, offer a major benefit for Algeria and draw on UNDP's strengths. For example, a project for the protection of the Algerian cultural heritage will continue to receive support.

68. In the area of telecommunications, UNDP will be requested, through high-level advisory missions, to support the Government's efforts to make optimal use of existing capacities in the communications media and to open up isolated areas of the country, which remain national priorities. Similar support from UNDP is expected in the transport sector, particularly in the area of support for trade development.

D. Implementation and management arrangement

69. The economic reforms undertaken by the Algerian Government make it necessary for it to choose appropriate modalities of execution which can assure a tangible success rate and flexibility in the implementation of the country programme as a whole. Thus the progression from senior technical adviser to national project director in the operational and administrative management of activities under the traditional system of project execution by United Nations agencies must be continued and adapted. Training activities to this end are planned. Similarly, the use of high-level short-term consultants and the limited acquisition of small-scale equipment for effective project implementation will continue to be a feature of projects in the sixth country programme.

70. In the context of strengthening national administrative and management capacity, pursuant to Governing Council decision 90/34, national execution is expected to be used for a number of carefully selected projects. This modality will be introduced gradually to allow for the necessary adjustments to be made both by the national side and by the United Nations system. It is also expected that more regular use will be made of qualified national personnel (consultants, nationally recruited professional project personnel). The use of local subcontractors (non-governmental organizations, private sector) and local procurement of equipment will be considered on a case-by-case basis. The use of these modalities, along with a streamlining and strengthening of the technical contributions of executing agencies, will contribute to the implementation of a coherent, high-quality programme.

71. Lastly, to allow an exchange of information and experience, the Government expects to have recourse to other sources of financing and modalities of execution offered by UNDP such as TCDC, the United Nations International Short-term Advisory Resources (UNISTAR), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the United Nations Financing System for Science and Technology for Development (UNFSSTD), the United Nations Development Fund for Women (UNIFEM), non-governmental organizations and Transfer of Know-how Through Expatriate Nationals (TOKTEN). The launching of a pilot experiment using national specialists under United Nations Volunteers programme in certain fields (youth employment, participatory development, the informal sector) is also envisaged, taking into account the advantages offered by this type of staff.

72. Both the non-IPF financing sources under the authority of the UNDP Administrator and the various programmes of the United Nations system will be called upon as far as possible, to complement IPF resources in the implementation of the sixth country programme. Special programme resources, including the management development programme and the resources of regional, interregional and global programmes, will be used to upgrade staff expertise.

73. As for the overall organization of the programme, in addition to the use of conventional management mechanisms and other follow-up tools, a number of thematic evaluations will be made. For example, evaluations will be made of

the employment and environment sectors and of the modality of national execution. In the latter case, the mid-term review of the programme, scheduled for the second half of 1994, will, on the basis of an exhaustive report, determine the possibility of extending this modality to a larger number of projects. Lastly, regular meetings between the Government and UNDP will provide the necessary adjustments in terms of programme content and financing.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry-over from fourth country programme	1 774
Net IPF	7 755
Subtotal IPF	9 529 1/
Cost-sharing (third-party) 2/	
Cost-sharing (Government)	11 146 3/
Subtotal cost-sharing	11 146
TOTAL	20 675

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	Thousands of dollars IPF	Cost-sharing	Total	Percentage of total resources
Employment promotion	2 382	3 344	5 726	28
Export promotion and diversification	1 239	1 672	2 911	14
Environmental protection	1 239	1 672	2 911	14
Support for socio-economic reforms	2 478	3 344	5 822	28
Assistance outside main areas and unprogrammed reserve	2 191	1 114	3 305	16
TOTAL	9 529	11 146	20 675	100

1/ IPF for 1992-1996, less estimated expenditure for 1992 ($1.7 million).

2/ Certain bilateral donors will be requested to specify the amount of their contribution.

3/ Including $691,000 carried over from previous cycles.

III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR	1 000	
TSS-1	0 042	
UNCDF	-	
UNSO	-	
UNIFEM	-	
UNFSSTD	-	
Subtotal		1 042
B. Other United Nations resources		
JCGP participating agencies:		
UNFPA	8 000	
UNICEF	4 000	
WFP	20 000	
IFAD	24 000	
Other United Nations agencies (non-UNDP financed)	7 500	
Global Environment Facility	12 000	
Subtotal		75 600
C. Non-United Nations resources		-
TOTAL		76 642

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Annex II

PROGRAMME MATRIX

Area of concentration	Area of focus a/					
	Poverty eradication and grass-roots participation	Environment and natural resource management	Management development	TCDC	Transfer and adaptation of technology	WID
I. EMPLOYMENT PROMOTION						
Employment strategy			*	*		*
Vocational training: placement and retraining	*		*	*		*
Support for micro-enterprises and the informal sector	*	*	*	*	*	*
Development of the tourist industry	*	*	*			*
Organization and regulation of the labour market			*	*		*
II. EXPORT PROMOTION AND DIVERSIFICATION						
Identification of new export opportunities			*		*	
Promotion of non-traditional exports by the private sector	*		*	*	*	*
III. ENVIRONMENTAL PROTECTION						
Strengthening management and monitoring capacities		*	*	*		
Development of specific activities in priority areas	*	*	*	*	*	
Strengthening of legislative and regulatory framework		*	*			
Support for public awareness activities	*	*		*		*
IV. SUPPORT FOR REFORMS						
Economic	*	*	*	*	*	
Social	*	*	*			*
Technological		*	*	*	*	

a/ Asterisk indicates major linkage only.